

**FUNDING AGREEMENT BETWEEN THE CITY OF TEMPE
AND
THE TEMPE COMMUNITY COUNCIL**

THIS FUNDING AGREEMENT (“AGREEMENT”) is made and entered into by and between the City of Tempe (“Tempe” or “City”), an Arizona municipal corporation, and the Tempe Community Council (“TCC”), a 501(c)(3) nonprofit corporation.

R E C I T A L S

A. The TCC was founded in 1972 and in 1976 became a 501(c)(3) nonprofit corporation committed to involving a broad base of volunteer citizens and staff in addressing immediate and long-term human service needs in Tempe;

B. As a nonpartisan organization, TCC works through a volunteer citizen board to identify and plan for needed human service programs in the community, mobilize and educate the community regarding human service issues and needs, conduct a review and recommendation process, and inspire the community to donate time and resources to address human service needs.

C. TCC and Tempe have had a partnership since 1985, when Tempe provided funding to TCC to establish relationships with nonprofit entities that addressed human service needs in Tempe and thereafter review applications for funding from these entities and make recommendations to the Tempe City Council.

D. TCC and Tempe desire to enter into this AGREEMENT that clearly states the obligations of the two entities and the consideration received by Tempe in exchange for its financial and in-kind support.

A G R E E M E N T

1. ADMINISTRATION

a. TCC Bylaws are incorporated, by reference, into this AGREEMENT.

b. CC shall continue to operate as a 501(c)(3) non-profit corporation and be governed by a Board of Directors that has the ultimate authority for oversight and approval of TCC’s programs.

c. TCC shall utilize an accounting system which will comply with generally accepted accounting principles and with the provisions of AICPA audit guide for nonprofit corporations. TCC shall establish and maintain an operational budget that identifies expenditures and fund sources.

d. The City's designated contact with TCC shall be the Human Services Director or his/her designee. The Human Services Director shall coordinate the execution of this AGREEMENT and any reports and correspondence from TCC shall be channeled through the Human Services Department.

2. RESPONSIBILITIES

The responsibilities TCC agrees to perform, in whole or in part, with City funding are:

a. To serve as an independent resource to Tempe on issues relating to human service needs and services within the City.

b. To serve as a planner, advocate and resource on human service issues for elected officials, city staff, and the community.

c. To provide technical and management assistance to nonprofit agencies providing human services to Tempe residents.

d. To administer and conduct other Tempe grant processes including, but not limited to: Diversity/Unity Grants; and Tempe Transit Grant process, including the monitoring and oversight of granted contracts.

e. To develop programs, services, and partnerships to meet the changing human service needs of Tempeans aimed at reducing root causes of instability and dependence.

f. To provide oversight and management of: Commitment to Schools in Tempe and Kyrene ("C2S"); Open Horizons ("OH"); Tempe Financial Stability Initiative ("TFSI"); and Age Friendly Communities programs; including, but not limited to projects such as, Thrive to Five; Tempe Coalition; family resource centers at Tempe elementary schools; teen resource centers at Tempe high schools; Tempe's Volunteer Income Tax Assistance (VITA) site; financial literacy classes for individuals, families, college students, and children in Tempe and Kyrene afterschool programs; early childhood education classes; parenting skills training; dropout prevention services; counseling support for students; and volunteer recognition.

g. To survey needs, engage council, administer and conduct the Tempe Human Service Request for Proposal (RFP) ("Agency Review") process, by convening a panel of citizens to recommend to the City Council how General Fund, Help to Others and up to fifteen percent (15%) of the Community Development Block Grant funding may be allocated to best meet the human service needs of Tempeans. TCC shall submit the final Agency Review recommendations to City Council in accordance with Tempe's annual budget process and timeline. TCC duties include the monitoring and oversight of Council-approved Agency Review contracts.

h. To promote and grow volunteer opportunities for Tempe citizens including, but not limited to: Don Carlos Humanitarian Awards; TCC Board of Directors; C2S; Agency Review; TFSI; Age Friendly Communities; and eligible entities that address human service needs in Tempe.

i. To create and promote community philanthropic activities and opportunities including, but not limited to: Tempe's Help to Others ("H2O"); and Tempe Community Foundation ("TCF") funds.

j. To administer and conduct disbursement of TCF endowment fund proceeds to qualified nonprofit organizations for the benefit of Tempe; including the monitoring of grant awards.

k. To leverage Tempe's investment in human services and TCC, by securing additional federal, state and other contracts and resources, that strengthen and stabilize families, individuals and the community.

l. To administer and coordinate use of Hatton Hall.

m. To add, increase, improve, or modify programs or responsibilities, subject to Tempe funding, as TCC and Tempe mutually deem necessary to carry out its mission.

n. To report to Tempe on the performance of its activities ninety (90) days after the close of the fiscal year.

o. Tempe reserves the right to alter or eliminate any TCC responsibilities listed above, as necessary, upon reasonable notice of no less than one hundred eighty (180) days to TCC. New responsibilities shall not be added as part of this AGREEMENT without mutual consent of all parties.

The responsibilities of Tempe include:

a. To engage with TCC in a process to identify human service priorities for inclusion in the Agency Review Request for Proposal (RFP).

b. To engage with TCC to agree upon outcome measures for evaluating program progress achieved with human service funds granted to qualified nonprofits.

c. To provide physical space including maintenance thereof, for staff and board members at the Governor Benjamin B. Moeur Residence and Hatton Hall pursuant to a separate agreement between TCC and Tempe (attached as Exhibit 1 and incorporated into this AGREEMENT by reference as if fully stated herein), or at other comparable facilities as becomes necessary or desirable in the future.

d. To provide resources for staff aligned with comparable COT staff positions and grades, with salaries and benefits (as closely aligned as possible).

e. To provide training and technology as appropriate for effective staff communication.

f. To make data available re: grants, federal and state programs; assist and/or collaborate with application process.

g. To serve as a resource for TCC in legal, human resource, political, and policy related issues to aid in proper compliance and best practices.

h. Unless otherwise provided by separate agreement, to provide funding for the Agency Review process to be inclusive of all nonprofit human service programs comprised of a combination of funds including: General Funds, CDBG monies and funds collected through the H2O program.

3. ANNUAL BUDGET

In accordance with Tempe's annual budget process and timeline, TCC shall submit an annual budget request to Tempe which will include a description of proposed programs, special projects, operating expenses, and staffing requirements. In addition, TCC shall submit, upon approval by the TCC Board of Directors, the agency's annual budget to the City Manager or their designee and the City's Chief Financial Officer after the first regular scheduled TCC Board of Director's meeting of the new fiscal year in August.

Within sixty (60) days following the close of the fiscal year, TCC shall submit to Tempe an accounting of any salaries and benefits savings for adjustment to the second quarterly payment of the new fiscal year, contingent upon renewal of funding agreement.

4. ANNUAL AUDIT

TCC shall provide the City an annual financial statement as compiled and reviewed by an independent CPA. TCC shall pay for all services rendered by the CPA. All reports (financial statements, audit reports, compliance and management letters, letters of internal control) from the CPA shall be submitted to the City's Chief Financial Officer and Human Services Director thirty (30) days after acceptance of the auditor's final report by the TCC Board of Directors. Notwithstanding the above, the City retains the right to conduct an audit of TCC's finances and operations at any time during this AGREEMENT, with reasonable notice to TCC.

5. REPORTS

TCC agrees to report on the performance of its programs by submitting a report to the City at the end of the fiscal year. Said report shall be due sixty (60) days after the close of the fiscal year and shall include a summary of achievements pertaining to goals and objectives outlined in the organization's strategic plan.

6. FUNDING

a. Subject to the conditions as set forth in this AGREEMENT, and beginning July 2014, the City shall provide annual funding to TCC in the amount of \$819,698.11 which shall be paid in quarterly payments on the first of each month in July, October, January and March.

b. TCC may submit for approval to the City Council an annual supplemental budget request to seek funds in addition to those set forth in paragraph (a) above, which may be approved at the sole discretion of the City Council.

c. The funding amount specified in paragraph (a) shall be contingent upon the following:

i. TCC shall, prior to the commencement of the 2016 Agency Review process, in conjunction with Tempe, formulate funding priorities and establish criteria for accurately measuring the outcomes of all funded programs, including those sponsored or performed by TCC. Tempe shall have final approval of any proposed funding priorities and outcome measurement criteria;

ii. TCC shall submit a plan to Tempe, at or before the submission of the City Manager's proposed fiscal year 2016-2017 budget, containing, at a minimum, the following elements:

(a) its proposed funding requests for the next three (3) fiscal years, demonstrating a level of funding that is required to accomplish a mutually agreed upon work plan that provides TCC the ability to act as Tempe's nonprofit human services partner.

(b) the movement of direct service programs, as described in section 2.f of TCC responsibilities, into the competitive, non-conflicting Agency Review process, with date of implementation as mutually agreed upon; and

(c) an agreement to continue conforming with the 33 principles contained in *Independent Sector's* Principles for Good Governance and Ethical Practice, with an analysis of TCC's current status and supported by the Annual Audit referenced in section 4.

iii. Tempe shall transfer funding currently allocated for TCC's direct service programs to the Agency Review human services allocation in the respective year the programs will be incorporated into the competitive process.

7. TERM

The term of this AGREEMENT is from July 1, 2014 to June 30, 2015 and shall be automatically extended for one (1) additional year unless either party gives written notice to the other, on or before January 1, 2016.

8. BREACH

If any party should breach any of its respective obligations under this AGREEMENT, the non-breaching party shall provide written notice of the breach and the breaching party shall have thirty (30) days in which to cure. If a cure is not made, the non-breaching party shall be entitled to remedy the breach using any right or remedy at law or equity which would otherwise be available to such party, including termination of this AGREEMENT. The parties agree to use good faith negotiation to resolve any dispute, claim or controversy that may arise under or relate to this AGREEMENT. Any matter not resolved by negotiation shall be submitted to binding arbitration.

9. CONFLICT

With the exception of paragraphs 6 and 9 of this AGREEMENT, in the event of conflict between the terms and conditions of this AGREEMENT and the provisions of the TCC Bylaws or regulations governing 501(c)(3) entities, the terms and conditions of the TCC Bylaws and the 501(c)(3) regulations shall control.

10. CANCELLATION

In addition, either party may terminate this AGREEMENT at any time and for any (or no) reason, by providing written notice to the other, on or before the 1st day of January, of its intent to terminate at the end of that fiscal year.

11. NOTICES

All notices required or permitted hereunder shall be in writing and shall be either personally delivered, or sent by registered or certified mail (return receipt requested) and in each case addressed as follows (or to such other address as the parties shall provide in writing to the other parties in accordance herewith):

If to TCC: Tempe Community Council
 34 East 7th Street
 Tempe, AZ 85281-3606
 Attention: Executive Director

If to Tempe: City of Tempe
 P.O. Box 5002
 Tempe, AZ 85280-5002
 Attention: City Manager

IN WITNESS WHEREOF, the City of Tempe by its Mayor and City Clerk have hereunto subscribed their names this _____ day of _____, _____.

CITY OF TEMPE

Mark W. Mitchell, Mayor

TEMPE COMMUNITY COUNCIL

Executive Director

Board President

ATTEST:

Brigitta M. Kuiper, City Clerk

APPROVED AS TO FORM:

Judith R. Baumann, City Attorney